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UNITED STATES DEPARTMENT OF AGRICULTURE

Food Distribution Administration

Washington, D. C.

April 13, 1943

DIRECTOR'S MEMORANDUM NO. 53

Program Analysis and Appraisal in the Washington and
Regional Offices

A Program Analysis and Appraisal Branch has been organized in the Washington office, and parallel Divisions have been established in all of the seven regional offices of the FDA. It is extremely important that our economic analysis work in the Food Distribution Administration be pushed vigorously if we are to keep in touch with the fast-moving changes which are occurring in marketing and distribution as a result of the war, and if we are to be laying the ground work necessary for developing a long-time marketing program which will be of real and lasting benefit to the farmer and to the consuming public. For that reason it seems advisable to outline as clearly and as specifically as possible the functions and duties of the Washington and regional offices in this field and to reach a clear understanding of the procedures and methods to follow in carrying out these studies.

1. Analysis and appraisal programs, both in Washington and in the regions, should be very broad in scope. They should include objective and careful study of all the programs conducted by the Food Distribution Administration. The people working on analyses and appraisals should have complete access to all material available in any part of the FDA, and should be free at all times to bring forward suggestions and ideas for improving any of the existing programs or for undertaking such new work as may seem desirable. Moreover, these analyses and appraisals should not be limited to a study of the programs in the FDA. We should be keeping in very close touch with marketing and distribution programs conducted by other agencies, and in general we should make whatever studies are needed to get a clear understanding of the marketing problems confronting farmers throughout the country in order that we can adapt our programs quickly to meet current needs. This is a very important function during the war when we will have to make frequent changes in our program to meet emergencies. For that reason it is very important that some work of this kind be undertaken soon in every regional office and that the analysis and appraisal work in the regional offices be closely coordinated with similar work in Washington.

2. The Program Analysis and Appraisal Branch in Washington has organized a Regional Programs Division. Through that division we intend to develop a very close working relationship with all the analysis and appraisal work in the regions. The Program Analysis and Appraisal Branch in Washington will be responsible for informing the regional Program Analysis

and Appraisal Divisions of the issues which are developing in marketing, pending decisions, alternative solutions which are under consideration, and similar matters which will keep them currently abreast of probable developments. Persons in charge of economic work in other Branches should facilitate this work of the Program Analysis and Appraisal Branch.

3. The Program Analysis and Appraisal Branch in Washington will suggest from time to time studies which need to be made in the regional offices to throw light on the issues mentioned in paragraph No. 2 and to help reach sound decisions. It is understood that such suggestions or requests will be considered by the regional administrators and by their Program Analysis and Appraisal Divisions. The regional administrators will have the sole responsibility for determining the extent to which such suggestions or requests are met.

4. The Program Analysis and Appraisal Branch in Washington also will be responsible for letting each of the regional Program Analysis and Appraisal Divisions know about the work being done in the other regions and will from time to time make suggestions for coordinating such work wherever appropriate.

5. In a similar manner, the regional Program Analysis and Appraisal Divisions will be responsible for keeping the Program Analysis and Appraisal Branch in Washington informed of current marketing developments in their regions, pointing out the problems which are developing, and suggesting studies which might be undertaken by any of the Branches in Washington. The Program Analysis and Appraisal Branch in Washington will see that any such suggestions from the field are given proper consideration by the appropriate agencies in Washington. If, after consideration by the agencies concerned, it is agreed that such a study should be undertaken, the Program Analysis and Appraisal Branch will work out with the other interested Branches any problems of cooperation and coordination as between Branches.

6. Branches wishing to have one or more Regional Program Analysis and Appraisal Divisions undertake research for them will discuss such proposals with the Program Analysis and Appraisal Branch in Washington, who will assist the originating Branch and the regional divisions concerned in developing an acceptable project.

7. The Program Analysis and Appraisal Branch in Washington will be available to help any of the regional offices in outlining studies and suggesting methods or techniques to be used.

8. The Program Analysis and Appraisal Branch in Washington will make periodic surveys of analyses and studies being made through the FDA, including both the Washington and field offices, and will be responsible

for keeping the field offices informed of all such studies. Insofar as possible, the Program Analysis and Appraisal Branch will also keep in touch with marketing studies under way in other Federal agencies such as the OPA, the Federal Trade Commission, and the Department of Commerce.

9. Each of the regional Program Analysis and Appraisal Divisions will be responsible for keeping in touch with studies under way in the colleges and other research agencies in their regions and for keeping the Washington office informed of such work.

10. The Program Analysis and Appraisal Divisions in the regional offices will be responsible for the primary clearance of all questionnaires to be used in their respective regions. After reviewing proposed questionnaires and approving them or making suggestions for changes, they are to be referred to Mr. S. R. Newell, who is responsible for final clearance with the Division of Statistical Standards of the Bureau of the Budget. (See Director's (Administrator's) Memorandum No. 28, Supplement A, dated December 10, 1942).

11. No analysis or appraisal, either in Washington or in the field is complete until specific conclusions are reached and specific recommendations are made. Some of these recommendations will be such that the regional administrator can act upon them directly. Some will require the consideration of branch heads, the Director, or others in Washington. Copies of all recommendations of the latter type are to be sent to the Program Analysis and Appraisal Branch in Washington and that Branch will be responsible for seeing that all such recommendations are considered by the proper persons or agencies. It will be the responsibility of the Program Analysis and Appraisal Branch to follow through on these recommendations with those persons in Washington who can act on them and to inform the originating Regional Program Analysis and Appraisal Division whether the recommendations are accepted, modified or rejected, together with the reasons for such action when recommendations cannot be accepted as submitted.

Roy F. Lindbeckson

Director

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UNITED STATES DEPARTMENT OF AGRICULTURE
Food Distribution Administration
Washington, D. C.

May 27, 1943

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DIRECTOR'S MEMORANDUM NO. 53

Supplement 1

Coordination of Statistical Work in FDA



The several branches and divisions of the Food Distribution Administration are gathering, compiling, using, and publishing a great mass of statistical data. This statistical work needs to be coordinated. I am assigning to the Program Analysis and Appraisal Branch general responsibility for bringing about such coordination.

In this connection the following specific duties are assigned to the Program Analysis and Appraisal Branch:

1. Clearance of Questionnaires - This includes responsibility for clearing with the Bureau of the Budget, prior to use, all report forms, questionnaires, and similar material for obtaining information from any group of ten or more respondents, and for reviewing prior to their issuance any food orders, requests, or other announcements requiring the keeping of records or submission of reports. Branches and divisions should clear such materials through Mr. H. M. Southworth, Acting Chief of the Statistical Analysis Division, Program Analysis and Appraisal Branch. Mr. S. R. Newell will continue to review budgetary and other administrative problems that arise in connection with such orders, questionnaires, and requests for information after they have been received by Mr. Southworth and prior to clearance with the Bureau of the Budget.
2. Statistical information for Regional Offices - In many cases the regional offices should have access to unpublished data and to data of a semi-confidential nature. Some of the regional offices recently have had difficulty in getting data of this kind. Requests for special compilations or for unpublished data should be made through the Regional Programs Division of the Program Analysis and Appraisal Branch, and that Branch will be responsible for clearing such requests with the appropriate agencies in the Department of Agriculture or in other Government Departments.
3. Appraisal of reliability and Adequacy of FDA Statistics - The Program Analysis and Appraisal Branch may, upon its own initiative or upon the request of any branch in FDA, study the reliability and adequacy of any statistical material gathered, used, or published within FDA.

Section 10 of Director's Memorandum NO. 53, "Program Analysis and Appraisal in the Washington and Regional Offices," which provides that questionnaires which have cleared through the Program Analysis and Appraisal Divisions in the regional offices are to be referred to Mr. Newell, is hereby amended by Paragraph 1 above, "Clearance of questionnaires."

This memorandum supersedes Director's Memorandum No. 28 and Memorandum No. 28, Supplement A.

Roy F. Hendrickson

Director

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WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

August 13, 1943

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DIRECTOR'S MEMORANDUM NO. 53

Supplement 2

Appraisal of the Activities of the FDA

Competent administration of the war food program and of food distribution within it requires continuous self-criticism to determine whether we are doing the things that should be done and how well we are doing them. In addition to this day-to-day, piecemeal appraisal it is desirable that we take over-all stock of our operations from time to time to see how our effort as a whole measures up to the objectives of the program.

The broad objective of the war food program is:

- (a) to provide the kinds and quantities of foods which will assure that all those dependent on the United States are as well fed as we can afford to keep them; and
- (b) to divide the supply equitably among the various claimants, taking into account differences in their relative needs.

Along with this broad objective are many secondary ones that modify and condition it. Some of them reflect our unwillingness to put aside certain institutions and customs for fear that they will be permanently undermined. Some of them are embodied in Acts of Congress. Many of them are implied in the statement "as well fed as we can afford".

The secondary objectives are apparent in deciding such questions of policy as the following:

How much steel and how much of our plant and labor force shall be used for food processing equipment and farm machinery instead of tanks?

How far should we raise the price of dry beans in order to encourage production for stockpile?

How, in general, shall we reconcile the need for higher support prices for certain commodities at the farm with the necessity of holding the line on their prices at retail?

How far shall we go to shift into production of foods that offer higher nutritive yields?

Are we doing enough to assure small farmers, as well as large, adequate outlets for their increased production under the war food program?

How far are we justified in upsetting established outlets of producers through zoning markets to conserve transportation?

Questions like these we face continually in carrying on the war food program. If our objective were simply to produce and distribute as much food as possible the answers to them would be clear and obvious. That they are not clear and obvious is an indication of the sorts of secondary objectives that we have to take into consideration and a clue to what is meant by "as well as we can afford".

Without trying to spell out in advance all the detailed considerations that must be given weight in carrying out our food program, I should like to have an appraisal of that program along the lines of the following outline. It is in the form of a series of questions the answers to which should determine what kind of job we are doing and what our record is regarding the sorts of considerations suggested above. I am not sure that we can provide clear-cut answers to all the questions in the short time - say, a month - within which I should like to have a report. But I think it should be possible to provide answers to most of them and significant comments on our position in regard to the others. Where definite answers are not forthcoming, it will usually mean that the consideration is one to which we ought to be giving more thought.

I am asking Fred Waugh and his Program Analysis and Appraisal Branch to take responsibility for working up this appraisal. He is to be given the fullest cooperation by all the Branches here in Washington and all the Regional Offices of FDA. While the primary emphasis should be on food distribution, obviously it is impossible to appraise the distribution program without considerable exploration of the closely related production and price control programs. Hence Mr. Waugh will need to call also upon many people in other parts of the War Food Administration and in the Office of Price Administration for comment and advice.

I. The War Food Program Itself

- A. Consumption: Has the food available been properly divided among those who ultimately consume it, and has there been efficient use of it, with a minimum of waste?
 1. Allocations: Is the procedure developed for allocating foods between broad claimant groups based on an adequate analysis of their relative needs? Are we building up proper reserves out of current supplies to cover foreseeable needs, such as feeding of occupied territories, and to provide for the unforeseeable contingencies of war?
 2. Rationing: Does the system for rationing foods among civilian consumers take adequate account of the relative needs of people of different ages and occupations? Does it take satisfactory account of the availability of certain foods through home production or other unrationed source of supply? Is it sufficiently flexible in adjusting to changing supply conditions?

3. Fulfillment of Allocations: Have we done an effective job of administering the allocations and rationing program? Do the various broad claimant groups actually get the foods they need? Do consumers in different sections of the country and in different income groups actually get their fair share of foods?
 4. Availability of foods: Have we developed adequate programs to make foods available to people when and where needed under the changed wartime conditions - keeping groceries open evenings, establishing stores in new population centers, providing mid-shift feeding arrangements in war plants, etc.?
 5. Consumption incentives: Have we done an effective job of aiding and encouraging all sections of the consuming public to save food, and adjust their diets to wartime scarcities without impairing nutritive standards? Do the relative prices of different foods at retail encourage greater consumption of those that are more abundant? Have consumers generally been given a competent picture of the war food program, the causes of the shortages of various foods, and the reasons for the various regulations and restrictions imposed on them? Has it been made as simple as possible for them to comply with the regulations, and to combat illegal practices at their expense on the part of dishonest distributors?
- B. Processing and Distribution: Have we handled foods in such a way as to get them to those who consume them in the right forms and at the right times, and with a minimum of waste?
1. Marketing resources: Have we developed an adequate plant for processing foods into forms needed under war conditions, and for distributing these foods? Have we provided processors and distributors the proper quantities of labor, plant and equipment, containers and other supplies, taking into account needs elsewhere in the war effort? Are our processing facilities and market organization flexible enough to handle the supplies that are produced without waste or misuse of food?
 2. Marketing efficiency: Have we done enough in the way of helping and encouraging different types of processors and distributors to cut down and keep down the costs of handling foods? Have we done a sufficient job of concentrating processing in the most efficient types of plants, and distribution in the most efficient types of handlers? Of locating processing and storage facilities and routing foods through them so as to minimize cross-hauling and other duplicatory and roundabout transportation? Has Government procurement and handling of food been carried through with a minimum of disruption to orderly marketing?

3. Distribution incentives: Have we fully explored all possible ways of encouraging distributors to carry through the distribution plan? Have margins for processing, transportation, storage, handling, packaging, etc., effectively promoted proper use and efficient marketing and distribution of foods? Have margin differentials promoted proper movement of foods through different types of trade outlets and from surplus- to deficit-producing areas? In our food orders and other wartime regulations have we sought out the most effective procedures for achieving desired results? Have we given trade groups a clear and honest picture of the problems faced, and worked out with them the best ways of overcoming these problems?
- C. Production: In the light of consumption needs, have we gotten the right foods produced in the right quantities, and have our procurement and marketing programs been as effective as possible in supporting necessary adjustments in production and processing.
 1. Production of nutrients: Have we done an effective job of translating wartime consumption requirements into production plans and production practice? Taking due account of past production and consumption patterns and of the need for productive resources elsewhere in the war economy, have we maximized output in terms of nutrition, both as regards total food and as regards the relative quantities of different foods and feedstuffs?
 2. Production in relation to distribution: In planning production, have we taken sufficient account of costs and facilities for processing and distributing foods, as well as the costs of producing and harvesting them? Have regional production plans taken proper account of economies in transportation, storage, etc.?
 3. Production incentives: Do relative prices for different farm products reflect proper rewards to those growers who cooperate in the production program? Do our price supports actually reach the producers themselves, or do they get absorbed higher up in the marketing system? Have we given proper consideration to other production aids and incentives besides straight price increases? Have we consulted with producers adequately on their marketing as well as their production problems to make sure that we are aware of all the barriers to achievement of the production goals?
- D. Over-all Administration: In developing the war food program have we done a good job of taking first things first and concentrating on the major issues? Or have we done too detailed and perfectionistic a job on some programs, spending time and energy that might better have been devoted to more important problems?

II. The War Food Program in Relation to Other Things

- A. Avoiding Inflation: How successful have we been in developing and administering controls to prevent food price inflation?

1. Have we developed satisfactory ways of getting the food production and distribution that we need without inflating food prices generally and pushing up the cost of living?
2. Are our price controls sufficiently flexible? Do they avoid geographic dislocations in the flow of foods from producers to consumers? Do they permit orderly marketing and efficient use of seasonal perishable crops? Do they encourage carrying over the proper amounts of storable foods to sustain consumption throughout the year? Do they promote proper division of crops between use for food and use for feed, and between fresh use and the various processed forms?
- B. Public Relations: Are the Congress and the public adequately informed regarding the food situation and the reasons for the various wartime food measures? Have we the Congressional and public confidence and support necessary for successfully carrying out the food program? Are we getting the true food picture to the public fully enough and quickly enough to effectively forestall or refute false criticism? Are we encouraging and responding to constructive criticism and suggestion from outside the administration?
- C. United Nations Cooperation: Have we an effective United Nations food program coordinating the resources and efforts of all the countries that are participating in the war on our side? Is the place of the United States in this program clear enough to provide us a sound basis for our national food planning, including the meeting of our proper responsibilities for food relief in occupied territories?
- D. Post-War Prospects: Are we attaching the proper weight - neither too much nor too little - to post-war considerations in our wartime food program? Are we thinking far enough ahead about the dislocations that will afflict the post-war food economy, the measures that will be needed to deal with them, and how we are to carry through the process of "de-control"? Are we thinking far enough ahead how to assure a continuing high level of food production and consumption after the war, how to maintain a high level of nutritional well-being in the United States, and what our part shall be in raising food consumption standards throughout the world?


Director

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